



**CONSOLIDATED UNAUDITED FINANCIAL
STATEMENTS FOR THE SECOND QUARTER
ENDED 30 JUNE, 2019**

Julius Berger Nigeria Plc
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RC No. 6852



**CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED JUNE 30, 2019**

SUMMARY

	2nd Quarter	Year to date
	N'000	N'000
Turnover	<u>68.858.640</u>	<u>131.783.020</u>
Profit before tax	3.321.659	4.561.388
Taxation	<u>(972.778)</u>	<u>(1.726.513)</u>
Profit/(loss) after tax	<u>2.348.881</u>	<u>2.834.876</u>

BY ORDER OF THE BOARD

MRS. CECILIA MADUEKE
COMPANY SECRETARY
July 25, 2019

For more information please visit www.julius-berger.com.



**CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED JUNE 30, 2019**

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**CONSOLIDATED UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED JUNE 30, 2019**

					AUDITED	
					31/12/2018	
		2019		2018		
		3 months Apr - Jun	6 months Jan - Jun	3 months Apr - Jun	6 months Jan - Jun	
		N'000	N'000	N'000	N'000	
Revenue		68.858.640	131.783.020	37.753.282	73.077.504	194.617.712
Cost of sales		(52.957.274)	(101.933.433)	(25.677.845)	(53.899.934)	(142.609.199)
Gross profit		15.901.367	29.849.586	12.075.437	19.177.570	52.008.513
Other gains and losses	4	345.337	98.833	(1.568.774)	4.847.695	2.290.326
Marketing expenses		16.246.703	29.948.419	10.506.664	24.025.265	54.298.839
Administrative expenses		(28.273)	(81.768)	(23.932)	(34.878)	(126.806)
Impairment loss on trade and tax receivables		(10.848.447)	(22.446.357)	(7.720.262)	(17.358.156)	(34.466.762)
		(177.088)	243.411	-	-	(5.326.995)
<i>Operating profit</i>		5.192.895	7.663.705	2.762.470	6.632.230	14.378.276
Investment Income	5	317.007	808.409	530.177	645.694	474.179
Foreign exchange acquisition loss		-	-	(127.215)	(127.215)	(91.215)
Finance costs	6	(2.188.244)	(3.910.726)	(919.457)	(3.220.772)	(4.563.573)
Profit/(loss) before tax		3.321.659	4.561.388	2.245.975	3.929.938	10.197.667
Income tax expenses		(972.778)	(1.726.513)	(616.869)	(1.335.906)	(4.095.852)
Profit/(loss) after taxation		2.348.881	2.834.876	1.629.106	2.594.032	6.101.815
Profit/(loss) for the year		2.348.881	2.834.876	1.629.106	2.594.032	6.101.815
Other comprehensive Income for the year:						
Actuarial gains on retirement benefits		53.892	107.784	-	-	215.567
Related tax		(16.168)	(32.335)	-	-	(68.981)
Exchange difference on translation of foreign operations		37.724	75.448	-	-	146.586
		438.518	697.115	662.414	2.119.543	752.529
Total comprehensive income		2.825.123	3.607.439	2.291.520	4.713.575	7.000.929
Attributable to:						
Owners of the Company		2.829.500	3.604.360	2.290.686	4.711.907	6.992.399
Non-controlling interests		(4.377)	3.080	834	1.668	8.530
		2.825.123	3.607.439	2.291.520	4.713.575	7.000.929
Earnings per share (Naira)		2,14	2,73	1,74	3,57	5,30
Diluted earnings per share		2,14	2,73	1,74	3,57	5,30

The tax rate applied above is assumed based on the corporate tax rate of 30% payable by corporate entities in Nigeria on taxable profits under the Companies Income Tax Act, and 2% education tax based on the assessable profit of companies.

**CONSOLIDATED UNAUDITED STATEMENT OF FINANCIAL POSITION
FOR THE SECOND QUARTER ENDED JUNE 30, 2019**

		2019	2018	AUDITED
		6 months Jan - Jun	6 months Jan - Jun	2018
		N'000	N'000	N'000
NON- CURRENT ASSETS				
Property, plant and equipment	7	50.514.516	41.688.524	41.342.451
Goodwill		9.292.455	9.535.022	9.434.576
Other intangible assets		-	692	-
Investment property		2.210.650	2.316.990	2.260.012
Other financial assets		2.045.681	-	2.045.682
Trade and other receivables		67.102.642	69.278.355	61.346.789
Tax receivable	9	23.405.854	16.479.589	17.211.734
Deferred tax assets		2.627.315	2.516.800	2.577.821
Total noncurrent assets		157.199.114	141.815.972	136.219.065
CURRENT ASSETS				
Inventories		18.744.170	12.505.622	13.465.981
Trade and other receivables		139.525.545	63.268.629	101.484.352
Current tax receivable	9	854.163	616.869	2.571.549
Contract asset		-	-	10.483.108
Non- current assets classified as held for sale		218.029	1.021.951	210.227
Cash and bank balances		13.236.789	19.354.079	23.995.718
Total current assets		172.578.696	96.767.150	152.210.935
CURRENT LIABILITIES				
Contract liabilities		(353.518)	-	(158.102)
Trade and other payables	8	(56.998.848)	(29.285.536)	(47.921.155)
Bank overdraft & loan		(45.834.645)	(34.434.169)	(25.461.844)
Current tax payable		(1.169.871)	(1.175.177)	(2.477.145)
Retirement benefit liabilities	13	(173.063)	(129.076)	(140.290)
Total current liabilities		(104.529.946)	(65.023.959)	(76.158.536)
Net current assets/(liabilities)		68.048.750	31.743.191	76.052.398
TOTAL ASSETS LESS CURRENT LIABILITIES		225.247.864	173.559.163	212.271.463
NON- CURRENT LIABILITIES				
Retirement benefit liabilities	13	(4.270.228)	(2.639.639)	(3.045.094)
Deferred tax liabilities		(7.552.776)	(7.038.984)	(7.546.216)
Contract Liabilities		(164.291.730)	(125.186.834)	(160.609.800)
Trade and other payables	8	(11.245.487)	(7.704.037)	(4.578.295)
Provisions		(1.507.234)	(800.000)	(1.074.169)
NET ASSETS		36.380.409	30.189.669	35.417.890
EQUITY				
Share capital		660.000	660.000	660.000
Share premium		425.440	425.440	425.440
Foreign currency translation reserve		10.958.042	11.627.941	10.260.927
Retained earnings		24.280.238	17.419.541	24.009.914
Attributable to owners of the company		36.323.720	30.132.922	35.356.281
Non-controlling interest		56.689	56.747	61.609
		36.380.409	30.189.669	35.417.890

These interim financial statements were approved by the Board on July 25, 2019 and signed on its behalf by:

DR LARS RICHTER
FRC/2019/COREN/00000019602
MANAGING DIRECTOR

MARTIN BRACK
FRC/2014/ANAN/00000006481
FINANCIAL DIRECTOR

**STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED JUNE 30, 2019**

	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Attributable to owners of the Company	Attributable to non - controlling interest	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2019	660.000	425.440	10.260.927	24.009.914	35.356.281	61.609	35.417.890
Impact of change in accounting policy	-	-	-	-	-	-	-
Adjusted balance at 1 January 2019	660.000	425.440	10.260.927	24.009.914	35.356.281	61.609	35.417.890
Profit for the year	-	-	-	2.834.876	2.834.876	3.080	2.837.956
Other comprehensive income(net of tax)	-	-	697.115	75.448	772.564	-	772.564
Total comprehensive income for the year	-	-	697.115	2.910.324	3.607.439	3.080	3.610.519
Dividends to shareholders	-	-	-	(2.640.000)	(2.640.000)	(8.000)	(2.648.000)
Balance at 30 June 2019	660.000	425.440	10.958.042	24.280.238	36.323.720	56.689	36.380.409
Balance at 1 January 2018	660.000	425.440	9.508.398	19.447.014	30.040.852	55.079	30.095.931
Impact of change in accounting policy	-	-	-	(3.301.505)	(3.301.505)	-	(3.301.505)
Adjusted balance at 1 January 2018	660.000	425.440	9.508.398	16.145.509	26.739.347	55.079	26.794.426
Profit for the year	-	-	-	2.594.032	2.594.032	1.668	2.595.700
Other comprehensive income(net of tax)	-	-	2.119.543	-	2.119.543	-	2.119.543
Total comprehensive income for the year	-	-	2.119.543	2.594.032	4.713.575	1.668	4.715.243
Dividends to shareholders	-	-	-	(1.320.000)	(1.320.000)	-	(1.320.000)
Balance at 30 June 2018	660.000	425.440	11.627.941	17.419.541	33.434.427	56.747	30.189.669

**CONSOLIDATED UNAUDITED STATEMENT OF CASHFLOWS
FOR THE SECOND QUARTER ENDED JUNE 30, 2019**

Cashflows from operating activities

Cash receipts from customers

Cash paid to suppliers and employees

Cash flows (used in)/provided by operating activities

Interest paid

Purchase of FOREX loss

Tax paid

Net cash used in operating activities

Cashflows from investing activities:

Interest received

Proceeds from sale of fixed assets

Purchase of fixed assets

Net cash provided by investing activities:

Cashflows from financing activities:

Loan received

Payment of Lease Liabilities

Dividend paid

Net cash used in financing activities:

Net increase in cash and cash equivalents

Cash and cash equivalent at 1st January 2019

Cash and cash equivalent at 30th June 2019

Cash and bank balances

Bank overdrafts

2019	2018
6 months Jan - Jun	6 months Jan - Jun
N'000	N'000
98.462.988	84.897.084
(117.189.929)	(100.303.023)
(18.726.941)	(15.405.939)
(3.910.726)	(3.220.772)
-	(127.215)
-	(43.842)
(22.637.666)	(18.797.768)
808.547	645.694
242.655	407.365
(6.047.845)	(8.203)
(4.996.643)	1.044.856
-	-
(849.421)	-
(2.648.000)	(1.320.000)
(3.497.421)	(1.320.000)
(31.131.731)	(19.072.912)
(1.466.126)	3.992.822
(32.597.857)	(15.080.090)
13.236.789	19.354.079
(45.834.645)	(34.434.169)
(32.597.857)	(15.080.090)

1. GENERAL INFORMATION

Julius Berger Nigeria Plc (the Company) was incorporated as a private limited liability company in 1970 and was converted to a public liability company in 1979 and the company's shares are quoted on the Nigerian Stock Exchange. The principal activities of the Company cover planning, design and construction of civil engineering and building works. The subsidiaries, Abumet (Nigeria) Limited in which the Company owns 90%, is involved in the manufacturing and installation of building aluminium components while Julius Berger Services Nigeria Limited a wholly owned subsidiary, is involved in port management services. Other subsidiaries include Julius Berger Medical Services Nigeria limited which is wholly owned and is into the provision of medical services while Primetech Engineering and Design Nigeria limited also wholly owned is into architectural and engineering design. Julius Berger Investments Limited is a wholly owned subsidiary and was incorporated in June 2012 as an investment company to acquire securities and act as investment managers, while Julius Berger International GmbH Wiesbaden - Germany was acquired in May 2012 as Procurement and Supporting Unit of the JB Group. JBI is now a 100% owned subsidiary of Julius Berger Nigeria Plc. Julius Berger Free Zone Enterprise is a 100% owned subsidiary of the Company and has been granted licence to operate in various free trade zoneS in Nigeria.

2. Basis of preparation of financial statements

These financial statements are the unaudited interim results (hereafter "the Interim Financial Statements") of Julius Berger Nigeria Plc for the second Quarter ended June 30, 2019 (hereafter "the interim period"). They are prepared in accordance with International Accounting Standard 34 (IAS 34), Interim Financial Reporting. These Interim Financial Statements should be read in conjunction with the audited Financial Statements for the year ended December 31, 2018 prepared under IFRS (hereafter "the Annual Financial Statements"), as they provide an update of previously reported information. The Interim Financial Statements have been prepared in accordance with the accounting policies set out in the Annual Financial Statements. The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. Where necessary, comparative information has been reclassified or expanded from the previously reported Interim Financial Statements to take into account any presentational changes made in the Annual Financial Statements or in these Interim Financial Statements.

2.1 New standards, interpretations and amendments effective 1st January 2019

The effect of the initial application of an IFRS on the entity's accounting policies

The following new standards, amendments and interpretations are effective for the first time for periods beginning on or after 1 January 2018:

IFRS 16 on Leases mandatorily effective for periods beginning on or after 1 January 2019.

IFRS 16 Leases

The group has identified that the adoption IFRS 16, which replaces IAS 17 Leases from 1 January 2019, will impact its consolidated financial statements in three key areas as follows:

2.1.1 The group will need to recognise right of use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;

2.1.2 The group have to recognise depreciation of right of use assets and interest on lease liabilities in the statement of profit or loss;

2.1.2 The group will have to separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the cash flow statement.

General impact of application of IFRS 16 Leases

The group has chosen the cumulative catch-up (measuring assets at an amount equal to liability) application of IFRS 16. Consequently, the group will not opt for the restatement of the comparative information. In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. The entity will make use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to apply to those leases entered or modified before 1 January 2019.

The group will apply the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019, (whether it is a lessor or a lessee in the lease contract). In preparation for the first time application of IFRS 16, the group has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not change significantly the scope of contracts that meet the definition of a lease for the group.

3. Segmental Analysis of Continuing operations

Julius Berger Nigeria Plc has three segment which offer construction, civil engineering, building and facility management services to third parties across Nigeria. Julius Berger Nigeria Plc is organised by segments, each of which is managed separately and considered to be a reportable segment. The Managing Director together with senior executive management constitute the chief operating decision maker and they regularly review the performance of these divisions. Details of the services offered by these segments are provided in the business and financial review in the Annual financial statement.

Disaggregation of revenue

	Government		Private		Total Reportable Segments			
	2019	2018	2019	2018	2019		2018	
	3 months Apr - Jun	3 months Apr - Jun	3 months Apr - Jun	3 months Apr - Jun	3 months Apr - Jun	6 months Jan - Jun	3 months Apr - Jun	6 months Jan - Jun
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Primary geographical markets								
Nigeria	52.729.297	28.910.010	13.219.835	7.997.318	65.949.131	127.228.882	36.907.328	70.452.683
Europe & Asia	-	-	2.909.509	845.954	2.909.509	4.554.137	845.954	2.624.821
	52.729.297	28.910.010	16.129.344	8.843.272	68.858.640	131.783.020	37.753.282	73.077.504
Major product/services lines								
Civil works	30.055.699	16.478.706	9.193.726	5.040.665	39.249.425	75.116.321	21.519.371	41.654.177
Building works	17.927.961	9.829.404	5.483.977	3.006.712	23.411.938	44.806.227	12.836.116	24.846.351
Services	4.745.637	2.601.901	1.451.641	795.894	6.197.278	11.860.472	3.397.795	6.576.975
	52.729.297	28.910.010	16.129.344	8.843.272	68.858.640	131.783.020	37.753.282	73.077.504
Timing of revenue recognition								
At a point in time	680.824	1.304.283	3.147.681	398.967	1.366.237	4.141.050	1.703.250	2.774.813
Over time	52.048.473	27.605.728	12.981.663	8.444.305	67.492.403	127.641.970	36.050.033	70.302.691
	52.729.297	28.910.010	16.129.344	8.843.272	68.858.640	131.783.020	37.753.282	73.077.504

Disaggregation of Profit/(Loss)

	Government		Private		Total Reportable Segments			
	2019	2018	2019	2018	2019		2018	
	3 months Apr - Jun	3 months Apr - Jun	3 months Apr - Jun	3 months Apr - Jun	3 months Apr - Jun	6 months Jan - Jun	3 months Apr - Jun	6 months Jan - Jun
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Major product/services lines								
Civil works	2.266.616	1.205.774	693.334	368.834	2.959.950	4.368.312	1.574.608	3.780.371
Building works	1.352.017	719.234	413.568	220.006	1.765.584	2.605.660	939.240	2.254.958
Services	357.887	190.385	109.474	58.237	467.361	689.733	248.622	596.901
	3.976.519	2.115.393	1.216.376	647.077	5.192.895	7.663.705	2.762.470	6.632.230
Foreign exchange acquisition loss	-	(97.416)	-	(29.799)	-	-	(127.215)	(127.215)
Investment Income	-	-	317.007	645.694	317.007	808.409	530.177	645.694
Net financing (costs)/income	(1.675.673)	(704.085)	(512.571)	(215.372)	(2.188.244)	(3.910.726)	(919.457)	(3.220.772)
Profit before income tax	2.300.846	1.313.892	1.020.812	1.047.600	3.321.659	4.561.388	2.245.975	3.929.938

4. Other gains and losses

 Profit from sales of PPE
 Foreign exchange gains/(losses)

2019		2018	
3 months Apr - Jun	6 months Jan - Jun	3 months Apr - Jun	6 months Jan - Jun
N'000	N'000	N'000	N'000
439.654	450.431	323.568	407.365
(94.317)	(351.598)	(1.892.341)	4.440.330
345.337	98.833	(1.568.774)	4.847.695

5. Investment income

Other interest income

2019		2018	
3 months Apr - Jun	6 months Jan - Jun	3 months Apr - Jun	6 months Jan - Jun
N'000	N'000	N'000	N'000
317.007	808.409	530.177	645.694
317.007	808.409	530.177	645.694

6. Finance costs

 Bank Commission
 Guaranty and Financing Cost
 Interest on overdraft
 Interest on loan
 Other finance charges

2019		2018	
3 months Apr - Jun	6 months Jan - Jun	3 months Apr - Jun	6 months Jan - Jun
N'000	N'000	N'000	N'000
(22.979)	(35.575)	-	(198.953)
(1.698)	(4.245)	-	(327.569)
(1.511.979)	(2.684.351)	(796.593)	(1.994.308)
(618.178)	(1.110.877)	(594.672)	(669.776)
(33.410)	(75.678)	471.809	(30.165)
(2.188.244)	(3.910.726)	(919.457)	(3.220.772)

7. Property Plant and Equipment

Property, plant and equipment' comprise owned and leased assets that do not meet the definition of investment property.

 Property, plant and equipment owned
 Right-of-use assets, except for investment property
 Balance at 30 June 2019

2019	2018
N'000	N'000
43.712.830	-
6.801.687	-
50.514.516	-

The Group leases many assets including buildings, vehicles, machinery and equipment. Information about leases for which the Group is a lessee is presented below.

7.1 Right-of-use assets
Cost

 Balance at 1 January 2018
 Additions
 Balance at 1 January 2019
 Additions
Balance at 30 June 2019
Accumulated amortisation:

 Balance at 1 January 2018
 Charge for the year
 Balance at 1 January 2019
 Charge for the year
Balance at 30 June 2019
Carrying Value at 30 June 2019

Buildings	Plant & machinery	Total
N'000	N'000	N'000
-	-	-
-	-	-
6.909.225	523.615	7.432.840
-	-	-
6.909.225	523.615	7.432.840
-	-	-
-	-	-
(583.185)	(47.969)	(631.153)
(583.185)	(47.969)	(631.153)
6.326.041	475.646	6.801.687

7.2 Lease liabilities
Maturity analysis - contractual undiscounted cash flows:

 Less than one year
 One to five years
 More than Five Years

Total undiscounted lease liabilities at 31 December

2019	2018
N'000	N'000
1.698.842	-
7.021.167	-
5.347.247	-
14.067.257	-

7.2 Lease liabilities (Continued)

Lease liabilities included in the statement of financial position at 30 June 2019

Lease Liabilities as at 01.01.2019
Amortisation to 30.06.2019

Current
Non-current

Total Lease liabilities recognised in the statement of financial position at 30 June 2019

2019	2018
N'000	N'000
7.432.840	-
(389.011)	-
7.043.829	
667.526	-
6.376.303	-
7.043.829	-

Amounts recognised in profit or loss

Expense on discounting of lease liabilities
Amortisation of right-of-use assets
Variable lease payments not included in the measurement of lease liabilities

2019	2018
N'000	N'000
460.410	-
631.153	-
-	-

Amounts recognised in the statement of cash flows

Total cash outflow for leases

2019	2018
N'000	N'000
849.421	-

8. Trade and other payables
8.1 Current

Trade Payable
Lease liabilities

Total current trade and other payables recognised in the statement of financial position

2019	2018
N'000	N'000
56.331.323	-
667.526	-
56.998.848	-

8.1 Non-Current

Trade Payable
Lease liabilities

Total non-current trade and other payables recognised in the statement of financial position

2019	2018
N'000	N'000
4.869.184	-
6.376.303	-
11.245.487	-

9. Tax receivable

Amounts expected to be recovered within one year
Amounts expected to be recovered after more than one year

2019	2018
N'000	N'000
854.163	616.869
23.405.854	16.479.589
24.260.018	17.096.457

This represents withholding and value added taxes recoverable from clients and the Federal Inland Revenue Service.

10. Risk Management

The Group is exposed through its operations to the following financial risks:

- Ø Credit risk
- Ø Fair value or cash flow interest rate risk
- Ø Foreign exchange risk
- Ø Market price risk, and
- Ø Liquidity risk.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

11. Transaction Price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	2020	2021	Total
	N'000	N'000	N'000
Civil Works	171.755.000	171.755.000	343.510.000
Building Works	87.431.000	97.431.000	184.862.000
Services	20.814.000	20.814.000	41.628.000
Total	280.000.000	290.000.000	570.000.000

All contracts with customers has been considered in the amounts presented above.

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Management expect that incremental fees to intermediaries as a result of obtaining contracts with customers are receivables. There were no incremental fees recognised in the period to 30 June 2019.

12. Changes in accounting policies.

Except for the change below, the Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

The Group has adopted IFRS 16 on Leases with a date of initial application of 1 January 2019. As a result, the Group has changed its accounting policy by recognising right of use assets and lease liabilities in the statement of financial position as detailed below.

The Group has assesses whether a contract is or contains a lease, at inception of the contract. The group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

12.1 Lease Liability Measurement

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the entity uses its incremental borrowing rate.

12.2 Lease Liability Measurement

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are presented as a separate line in the statement of financial position. The entity applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

12.3 Impacts on financial statements

The following tables summarise the impacts of adopting IFRS 16 on the Group's consolidated financial statements for the second quarter ending 30 June 2019.

CONSOLIDATED UNAUDITED STATEMENT OF FINANCIAL POSITION FOR THE SECOND QUARTER ENDED JUNE 30, 2019 <i>Impact of changes in accounting policies</i>	Without adoption of		With adoption of
	IFRS 16	Adjustments	IFRS 16
	N'000	N'000	N'000
Right-of-use Assets	-	6.801.687	6.801.687
Trade and other receivables	206.628.187	-	206.628.187
Tax receivable	24.260.018	-	24.260.018
Deferred tax assets	2.627.315	-	2.627.315
Contract Assets	-	-	-
Others	89.460.603	-	89.460.603
Total Assets	322.976.123	6.801.687	329.777.810
Deferred tax liabilities	(7.552.776)	-	(7.552.776)
Contract Liabilities	(353.518)	-	(353.518)
Lease Liabilities	-	(7.043.829)	(7.043.829)
Trade and other payables	(225.492.236)	-	(225.492.236)
Current tax payable	(1.169.871)	-	(1.169.871)
Others	(51.785.171)	-	(51.785.171)
Total Liabilities	(286.353.572)	(7.043.829)	(293.397.401)
Retained earnings	(24.522.381)	-	(24.522.381)
Impact of IFRS 16 on equity	-	242.142	242.142
Non-controlling interest	(56.689)	-	(56.689)
Others	(12.043.482)	-	(12.043.482)
Total Equity	(36.622.551)	242.142	(36.380.409)
	(322.976.123)	(6.801.687)	(329.777.810)

13. Retirement benefit liabilities

Obligations under defined benefit plans are calculated separately for each plan by estimating the benefit amount that employees have earned in return for their service in the current and prior periods which represent employees' terminal gratuities based on qualifying years of service and applicable emoluments as per operating collective agreement. Management has decided to settle the obligations and it is probable that the amounts due will be paid. Consequently this had been incorporated in the preparation of these interim financial statements.

14. Related party transactions

The Company entered into various transactions with related parties ranging from purchase of goods or services, to expenses incurred by the related party on behalf of the Company. Related parties to the Company are as listed:

- Abumet (Nigeria) Limited: Subsidiary Company in which Julius Berger Nigeria PLC owns 90% stake.
- Julius Berger Services Nigeria Limited: This is a 100% owned subsidiary of Julius Berger Nigeria PLC.
- Julius Berger Medical Services Limited: This is a 100% owned subsidiary of Julius Berger Nigeria PLC.
- Julius Berger International GmbH: This is a 100% owned subsidiary of Julius Berger Nigeria PLC.
- Julius Berger Investments: This is a 100% owned subsidiary of Julius Berger Nigeria PLC.
- Primetech Design and Engineering Nigeria Limited: This is a 100% owned subsidiary of Julius Berger Nigeria PLC.
- Julius Berger Free Zone Enterprise: This is a 100% owned subsidiary of Julius Berger Nigeria PLC.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been completed at arms length.

In accordance with the requirement of IAS 24 on related parties, the following directors are the key management personnel of the Company.

- | | |
|--|--|
| - Mr. Mutiu Sunmonu, CON | - Chairman |
| - Mr. George Marks (German) | - Vice Chairman |
| - Engr. Dr. Lars. Richter (German) | - Managing Director (Executive) |
| - Martin Brack (German) | - Financial Director (Executive) |
| - Alhaji Zubairu Ibrahim Bayi | - Director Administration (Executive) |
| - Mr. Tobias. Meletschus (German) | - Director Corporate Development (Executive) |
| - HRH Igwe Peter Nwokike Anugwu, JP, OFR | - Independent Director |
| - Engr. Heinz Stockhausen (German) | - Director |
| - Engr. Jafaru Damulak | - Director |
| - Dr. Ernest Nnaemeka Azudialu-Obiejesi | - Director |
| - Mrs Belinda Ajoke Disu | - Director |
| - Mrs Gladys Olubusola Talabi | - Director |
| - Engr. Goni Musa Sheikh * | - Director |

Key: * Appointed to the Board with effect from July 1, 2019.

Except for the short term benefits to include fees and other remunerations for Directors, there were no other transaction with the key management personnel.

15. Significant events

In the current financial year, the Company continued to have difficulties in converting receivables to cash or cash equivalent as result of delayed payments by some clients which invariably translated into slow performances on some project sites. However, costs have been managed in the same magnitude to ensure that profitability is achieved.

16. Comparative figures

Certain prior year balances have been reclassified to conform with current year's presentation for a more meaningful comparison.

17. Events after the reporting period

Except as disclosed above, there were no other material events after the reporting period which could have had material effect on the state of affairs of the Company as at March 31, 2019 and the result for the period that has not been adequately provided for or recognised in the Financial Statements.